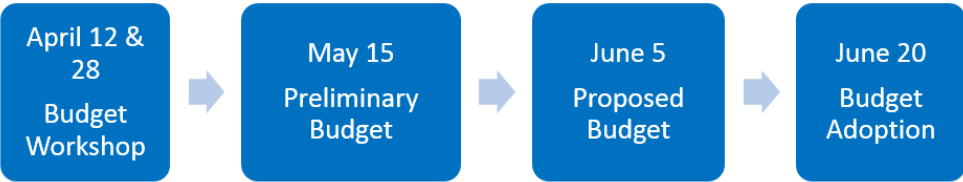


CITY PERSONNEL

The City has a total staff of 70 authorized full-time employees and about 74 part-time employees who work about 73,500 hours annually (about 35 full-time equivalents), primarily in the Recreation & Parks Department.

BUDGET PROCESS

The City began the budget process with a Budget Workshop on April 12, 2018. During this session, staff updated the City Council on FY 17-18 year-end estimates and presented the assumptions used to prepare the proposed General Fund budget for FY 18-19. A second Budget Workshop was held on April 28, 2018 to present City Council with the status of capital projects. At this workshop, City Council reviewed proposed capital projects and the CIP five-year plan. Additionally, the City Council provided direction on preparation of the preliminary FY 18-19 budget for all funds. On May 15, 2018, staff presented the preliminary budget for all funds to the City Council. At this meeting, City Council approved additional budget requests for cost allocation and fee study services and the signage project for the Land Conservancy. On June 5, 2018 the City Council opened public hearing for FY 18-19 budget adoption. The City Council continued the public hearing and adopted the budget for FY 18-19 on June 19, 2018.



Please contact City Staff if you have any questions or would like additional information.

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**Trang Nguyen, Deputy Director of Finance** (310) 544-5216  
TNguyen@rpvca.gov

**Chris Browning, Senior Administrative Analyst** (310) 544-5205  
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GOVERNING BODY

To contact the City Council, please send your email to [cc@rpvca.gov](mailto:cc@rpvca.gov). You can find contact information on individual Councilmembers on the City's website at [www.rpvca.gov](http://www.rpvca.gov)

**Susan M. Brooks, Mayor**  
**Jerry V. Duhovic, Mayor Pro Tem**  
**Ken Dyda, Councilman**  
**Eric Alegria, Councilman**  
**John Cruikshank, Councilman**

RANCHO PALOS VERDES QUICK FACTS

- The City has 7.5 miles of Pacific coastline, a 1,400-acre nature preserve, and hundreds more acres of open space.
- The Portuguese Bend landslide is one of the most active in the world.
- Point Vicente Lighthouse is on the National Register of Historic Places and is operated by the United States Coast Guard.
- This Point Vicente Interpretive Center is a premier whale watch site to view the annual migration of the Pacific gray whale, from December through April.

RANCHO PALOS VERDES DEMOGRAPHICS	
Population	42,364
Median Age	49.3
Per Capita Personal Income	\$57,464
Number of Households	15,771
Unemployment Rate	3.4%
Public School Enrollment	11,400
Median Home Price	\$1,003,300

LARGEST EMPLOYERS	
Palos Verdes Peninsula Unified School District	
Terranea Resort	
Marymount California University	
Trump National Golf Club	

Source: United States Census Bureau, Bureau of Labor Statistics, Palos Verdes Peninsula Unified School District and Data USA



BUDGET IN BRIEF  
FISCAL YEAR 18-19





CITY MANAGER’S MESSAGE

It is a pleasure to present to the City Council and community the FY 18-19 Adopted Budget that continues the City’s tradition of fiscal responsibility. This budget continues the commitment to maintaining and improving infrastructure throughout the City.

At a time of rising crime rates in many cities, over the past few years the Rancho Palos Verdes City Council has successfully invested in increased crime prevention that has produced dramatic drops in crime trends in contrast to many other California cities. This budget continues that commitment to public safety.

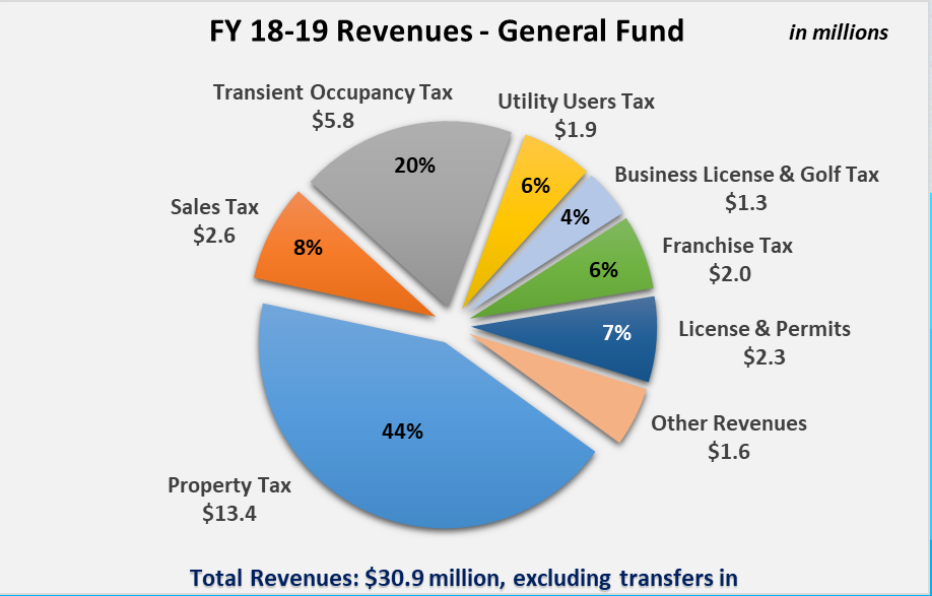
With the Council’s direction, staff was able to produce a balanced budget that prioritizes Public Safety, Transparency, Financial Restraint, and Exceptional Customer Service.

FY 18-19 BUDGET HIGHLIGHTS

- The Citywide adopted budget, excluding Improvement Authorities, is \$47,874,800 in Expenditures and \$43,763,600 in Revenues.
- The variance between revenues and expenditures included transfers and is covered by existing fund balances.
- The City Council’s reserve policy thresholds are expected to be maintained, with the General Fund Reserve (50% of budgeted expenditures) estimated to be \$13.7 million.

GENERAL FUND

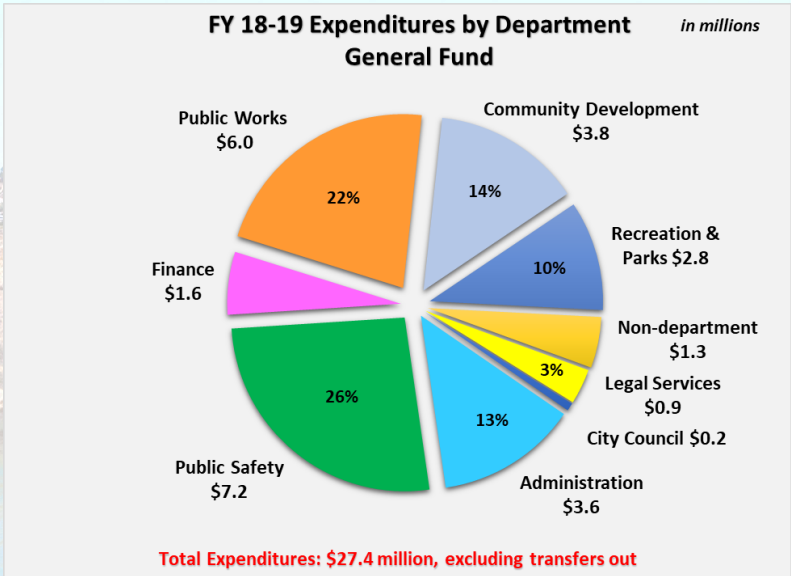
The General Fund continues to be the largest City fund, bolstered primarily by robust property values and steady growth in Utility User Tax (UUT). Property Tax growth within the City will remain strong and consistent for the next fiscal year. The estimated growth forecasted for FY 18-19 is approximately 5.2%, higher growth than the normal 2.0% CPI growth estimated by the assessor. General taxes make up 83% of total General Fund revenue of \$30.9 million (excluding transfers) led by Property Tax, Transient Occupancy Tax (TOT) and Sales Tax. These three taxes makes up 72% of total revenue.



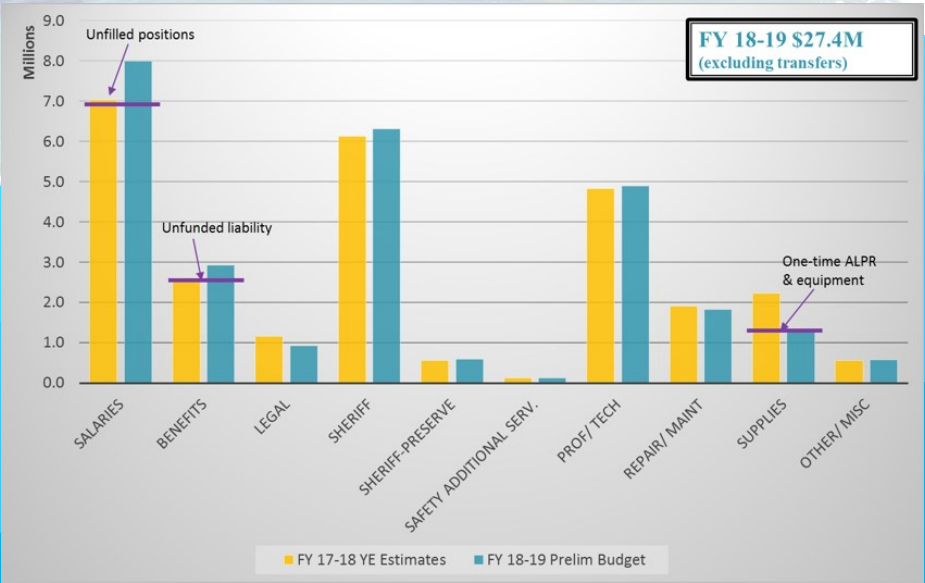
Top 8 Property Tax Payers (in Alphabetical Order)	
Belmont Village RPV LP	P V Victoria Apartments LLC
Golden Cove LLC	ROIC California LLC
GS Palos Verdes LLC	Vista Catalina Apts LLC
Long Point Development LLC	Western Riviera Investors ET AL

GENERAL FUND CONTINUED...

On the expenditure side, the City has set conservative fiscal policies including transferring TOT to capital projects to invest in the City’s infrastructure. For FY 18-19, this is equivalent to a transfer of \$4.5 million from the General Fund to the Capital Program Fund. The FY 18-19 operating budget (excluding transfers) will decrease by almost \$18,000 compared to FY 17-18 revised budget. The decrease is attributed to one-time costs in FY 17-18 related to Automated License Plate Recognition (ALPR) cameras to be used along Western Avenue and Homeowners’ Association (HOA) grants.



As shown in the chart below, salaries and benefits are expected to rise in FY 18-19 compared to FY 17-18 year-end estimates. The increase is due to FY 17-18 vacancies that are expected to be filled in FY 18-19. In addition, the new labor agreement between the employees and the City added an additional 2.5% Cost of Living Adjustment (COLA) in FY 18-19 as well as an increase in CalPERS unfunded liability.



FINANCIAL OVERVIEW

In addition to the General Fund, the City Council adopted budget for 28 other funds (3 restricted by the City Council and 25 legally restricted). The Improvement Authority Board will be adopting budget for 2 legally restricted funds in August of 2018.

As of the June 30, 2017 audited financial statements, the City had total assets of \$234.6 million, including \$68.9 million of cash and \$154.7 million of capital assets. Total liabilities were \$14.8 million.

CAPITAL IMPROVEMENTS

Recognizing the need for preventative maintenance and repairs to preserve City facilities and infrastructure, the City Council continued to fund many capital projects. The FY 18-19 budget contains \$9.1 million in new capital improvement projects. Over \$7.1 million of the funding for new capital improvement projects is from Capital Reserve funds.

	CIP Reserves (Fund 330)	Proposition C (Fund 215)	Proposition A (Fund 216)	Measure R (Fund 220)	Quimby (Fund 334)
PVDS Realignment - East End	50,000				
Citywide ADA Transition Plan	150,000				
Ladera Linda Community Center Master Plan Construction Documents					300,000
Western Av Traffic Congestion Improvements				100,000	
Connector Pipe Screens	161,100				
TOTAL PROJECTS IN PROCESS	361,100	-	-	100,000	300,000
ACLAD Sewer System Rehabilitation Program	250,000				
Portuguese Bend Landslide Area Resurfacing Program		600,000			
Recognition Wall at City Hall Complex	100,000				
Coastal Bluff Fence Replacement Program	200,000				
Pavement Management Program Biennial Update	120,000				
Residential Street Rehabilitation Program Area 8 Construction	3,500,000				
Residential Street Rehabilitation Program Areas 3&4 Design	500,000				
TOTAL PROJECTS CARRY FORWARD FROM CIP 5-YEAR PLAN	4,670,000	600,000	-	-	-
Hesse Parking Lot and Lighting Improvement Project - Design	75,000				
Hesse Parking Lot and Lighting Improvement Project - Construction	750,000				
Hesse Park Athletic Field Improvement Project	450,000				
Bubbles Restoration and Installation	75,000				
Hawthorne Blvd. Beautification - Design	200,000				
Silver Spur Rd. Transit Improvement - Design			50,000		
Silver Spur Rd. Transit Improvement - Construction			450,000		
Arterial Fences and Walls - Citywide Standards (Phase 2)	25,000				
Traffic/Transportation Improvements		500,000			
SDDIP Storm Drain Deficiency Improvement Program Various Locations - Design	250,000				
Signage Program	249,000				
TOTAL PROPOSED NEW PROJECTS	2,074,000	500,000	500,000	-	-
GRAND TOTAL OF ALL PROJECTS	7,105,100	1,100,000	500,000	100,000	300,000

CAPITAL IMPROVEMENT PLAN (CIP) CALENDAR OVERVIEW

The CIP Calendar starts in the fall season when departments begin discussion about upcoming and future projects. In February, the Public Works department and the IMAC begin to review requests for projects and develop a priority list for recommendation to the City Council. In April, the proposed project list is included with the Five-Year Model and Draft Budget. The CIP is then presented to the Planning Commission for compliance with the General Plan and ultimately presented to the City Council for consideration and adoption.

